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Amendment No. 1  
DD/S&T 230-1

**CONTRACT COST OVERRUNS**

**DEFINITION:**

A contract cost overrun occurs when costs are incurred or are to be incurred in excess of the originally negotiated maximum contract price.

**APPROVAL AUTHORITY FOR OVERRUNS:**

1. Provided funds are available in unobligated Office allotments, Approving Officers may approve cost overruns on contracts under the following circumstances:

a. To a limit of 10% on contracts where the originally negotiated price did not exceed \$25,000.

b. To a limit of \$5,000 on contracts where the originally negotiated price ranged between \$25,000 and \$100,000.

c. To a limit of \$10,000 on contracts where the originally negotiated price ranged between \$100,000 and \$140,000.

2. Where a cost overrun exceeds the approving limitations of Approving Officers, the full circumstances will be related in a memorandum submitted to the Deputy Director for Science and Technology for approval consideration.

3. When appropriate Fiscal Year funds are not available in Office allotments, requests for additional funds will be submitted to the Executive Director--Comptroller, via the Plans & Programs Staff, DD/S&T.

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